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# IPS

## A business case

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## Potential impact on service costs

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It is acknowledged that the IPS approach achieves higher employment outcomes than other models...

but do better employment outcomes lead to lower spending on mental health care?

The evidence suggests that they do.

# Reducing hospital admissions

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- The Burns and Catty et al (2008) multi-site European IPS trial found that rates of hospital use were lower for IPS clients than for those in traditional services.
- during the 18-month follow-up period
  - 20% of IPS participants were re-hospitalised
  - compared with 31% of those in traditional services,
- And the proportion of time spent in hospital over the 18 months was lower
  - 4.6% for IPS clients
  - 8.9% for those in traditional services.

## Reduced admissions = lower costs

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- the reduction in admissions imply a saving of around £6,000 per client in inpatient costs over the 18-month period\*.
- This was double the total direct cost of providing IPS services over the same period – (estimated at £3,000 per client.)

\*based on the average cost of psychiatric inpatient care in England (Department of Health, 2009)

# How much IPS costs – an average area service

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	<b>per worker</b>	<b>total</b>
8 Employment specialists	25000	£ 200,000
ES Pension and NI @25%	6250	£ 50,000
Supervisor	30000	£ 30,000
Supervisor Pension and NI	7500	£ 7,500
Training	750	£ 6,750
Travel	3000	£ 27,000
Premises		£ 20,000
Equipment and stationery	750	£ 6,750
Other overheads 15% of total budget		£ 51,863
<b>Total budget</b>		<b>£ 400,200</b>

# Cost per client

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	Service budget	Unit cost per client per year	Unit cost per job achieved
8 employment specialists & 1 supervisor	£ 400,200.00		
30 clients per year each (20 at any one time)		£ 1,667.50	
18 paid work outcomes per year per ES (total 144)			£ 2,779.17

# Can traditional services change to IPS?

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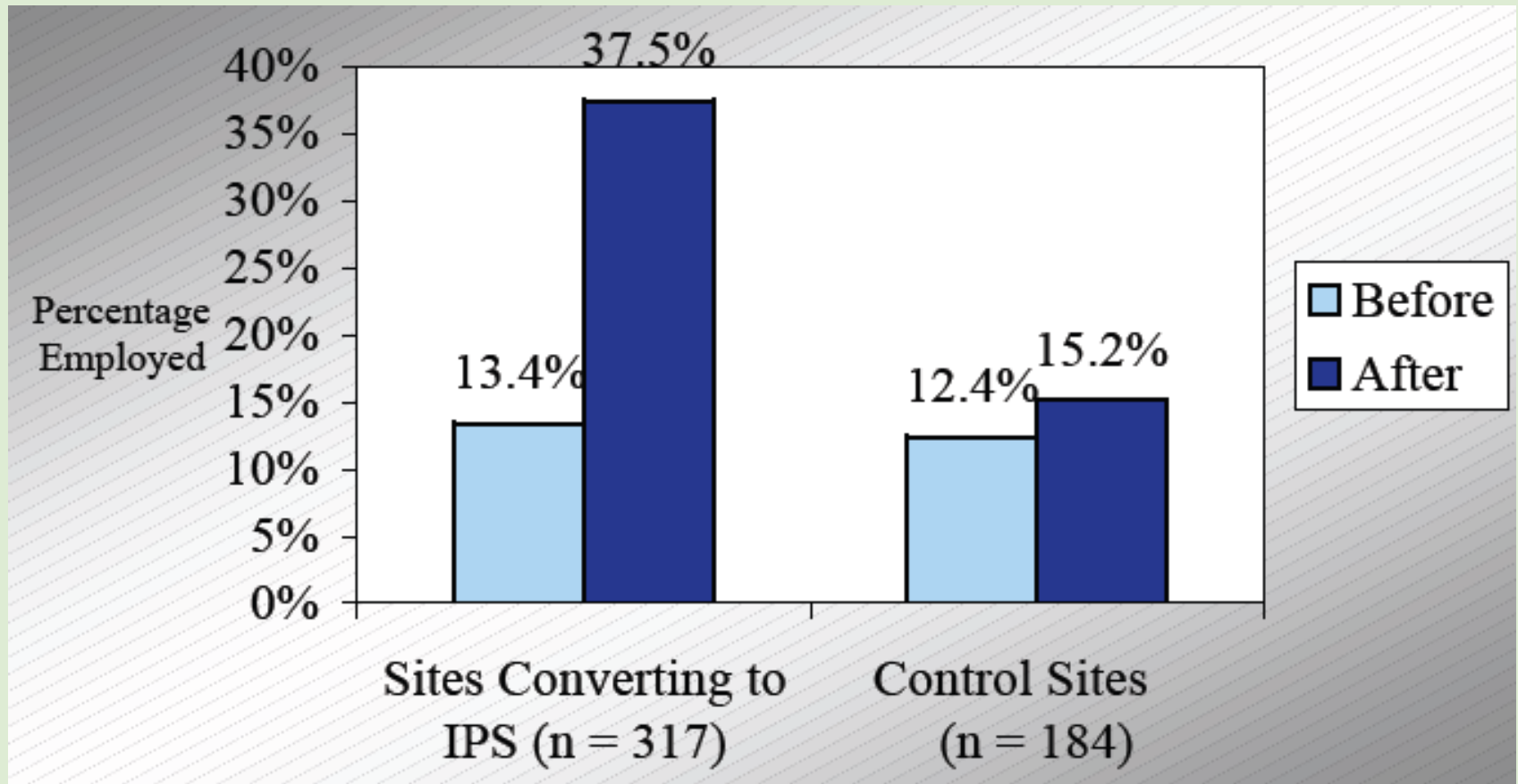
Drake & colleagues just did it!

- ❑ Discontinued day treatments
- ❑ Reassigned same day service staff to new Employment Specialist roles
- ❑ Implemented new supported employment (IPS) programme
- ❑ Achieved better results for people in new IPS sites than for people in the control (non-converted) sites



# Mean competitive employment rates in treatment programmes converting to IPS

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# Increasing employment outcomes

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In 2010-11 the Sussex IPS service was enhanced by a 'Regional Trainer' who audited, trained and mentored the Employment Service to achieve greater fidelity to the IPS model and subsequently the number of employment outcomes achieved each month rose dramatically.

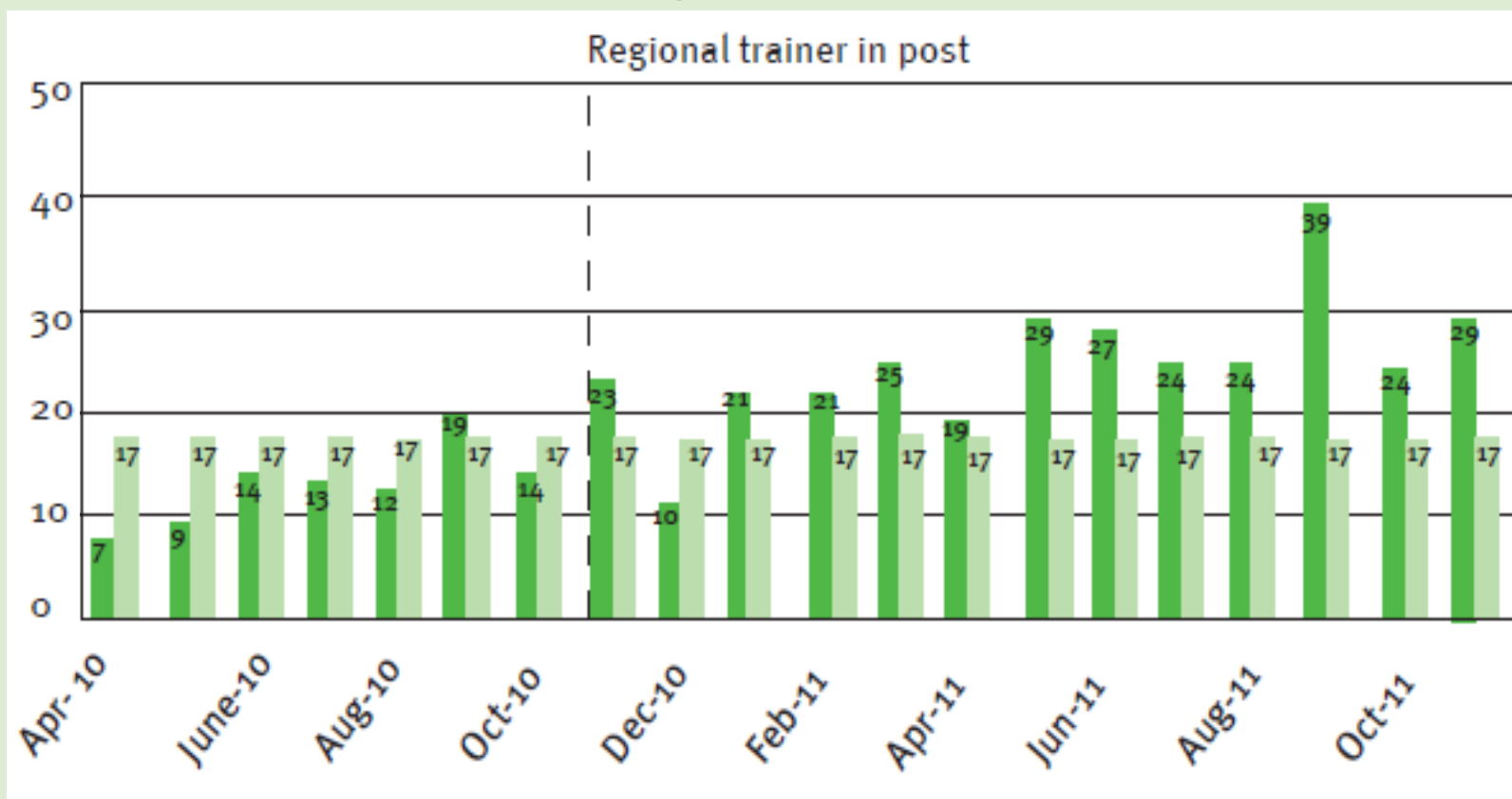
# Increasing job outcomes in Sussex through a focus on training and fidelity

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Apr 2010-Nov 2011

Introduction of the Regional Trainer in November 2010



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Southdown Supported Employment

# High cost of unemployment benefits

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- For adults aged 16-64 years in England
  - The employment rate for all is 71%
  - for people with schizophrenia it is 5 – 15% (Marwaha & Johnson 2004).
  - If more people with schizophrenia were employed there would be significant savings to the UK economy.

# Loss of earnings

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- An estimate of UK gross annual **median** earnings of £21,3008,
- People with schizophrenia are less likely to be employed – by a 64 percentage point decrease
- This is equivalent to an expected loss of productive capacity of £13,600 per year per individual (2011/12 price levels).
- The use of **mean** gross annual earnings being higher (£26,900) gives a greater estimated loss of productive capacity of £17,200 per individual.

# Employment for people with schizophrenia = economic gains to society

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- Not everyone with schizophrenia will find paid work, but ...
- if 50% of unemployed people with schizophrenia were employed 20 hours a week at the National Minimum Wage, economic gains to society would be ...
- £350 million, including a saving of around £120 million to public finances.

## To conclude:

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- ❑ Employment of people with mental health problems **brings economic gains** including a **decreased use of mental health services**
- ❑ It is clear that IPS is much more cost-effective than other forms of vocational support because
- ❑ **costs are the same or lower and**
- ❑ **outcomes are much better.**



**BRIEFING**

**SAINSBURY CENTRE FOR MENTAL HEALTH**  
Helping barriers, opening change

**40** Removing barriers  
The facts about mental health and employment

**Summary**

This briefing paper looks at the barriers to employment for people with both common and severe mental health problems and of the initiatives that are being undertaken by the public, voluntary and commercial sectors to support these efforts to find and sustain work. Too often people with common mental health problems, such as anxiety and depression, lose their jobs when they become unwell. Every day, opportunities to support people to work to get appropriate treatment and maintain their employment are being missed in workplaces across the UK. British businesses could save up to £8 billion a year if it managed mental health at work more effectively.

People with severe and enduring mental health problems, such as schizophrenia and bipolar disorder (manic depression), are less likely to be employed than any other group of disabled people. Yet the vast majority want to work and research shows that many people have and can be supported to secure and maintain paid competitive employment through Individual Placement and Support (IPS).

The Government's welfare reform agenda emphasises the importance of getting more people with disabilities into employment. There are legitimate concerns that too much emphasis is being placed on getting people off welfare benefits as an end in itself. But the risks of doing nothing, especially during a recession, are greater still.

In the last recession, many people with mental health problems were without an employer. We must ensure that we offer people the right help at the right time, or we run the risk of creating a new 'lost generation'.

**BRIEFING**

**Implementing Recovery through Organisational Change**

**Centre for Mental Health**

**Mental Health Network**

**3. Recovery, Public Mental Health and Wellbeing**

**Joint Boardman and Lynne Friedli**

**Centre for Mental Health**  
Realising a better future

**The economic and social costs of mental health problems in 2009/10**

A Centre for Mental Health policy paper published in 2003 estimated that the economic and social costs of mental health problems in England in the financial year 2002/03 amounted to £7.4 billion (Dainbury Centre for Mental Health, 2003).

Using the same methodology, a straightforward updating of this figure suggests that the aggregate cost of mental health problems in England increased to £10.2 billion in 2009/10. This updated analysis shows that mental ill health should continue to be a priority issue for public policy.

**Economic and social costs of mental health problems in England in 2002/03 and 2009/10 in £ billions**

Category	2002/03	2009/10
Health and social care	~10	~25
Output losses	~25	~35
Human costs	~45	~55
<b>TOTAL</b>	<b>~80</b>	<b>~102</b>

**LSE**  
**PSSRU**

**Centre for Mental Health**

**Institute of Psychiatry**  
**KINGS COLLEGE LONDON**

**Mental health promotion and mental illness prevention: The economic case**

**Martin Knapp, David McDaid and Michael Parsonage (editors)**

Personal Social Services Research Unit,  
London School of Economic and Political Science

April 2011

Report published by the Department of Health, London

**DH** Department of Health

**REPORT**

**Centre for Mental Health**

**A chance to change**

**Delivering effective parenting programmes to transform lives**

**Elena Rosa Brown, Lorraine Khan & Michael Parsonage**

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